ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

COMMITTEE ON COMMERCE

Report of Regular Meeting
Tuesday, February 2, 2021
House Hearing Room 3 -- 2:00 P.M.

MINUTES RECEIVED
CHIEF CLERK'S OFFICE
2-3-21

Convened 2:04 P.M.
Recessed
Reconvened
Adjourned 3:04 P.M.

Members Present
Mr. Chaplik
Mr. Cook
Mr. Espinoza
Mrs. Fernandez
Mr. Meza
Ms. Nutt
Ms. Powers Hannley
Mr. Wilmeth
Mr. Kaiser, Vice-Chairman
Mr. Weninger, Chairman

Members Absent

Agenda
Original Agenda – Attachment 1

Request to Speak
Report – Attachment 2

Committee Attendance
Report – Attachment 3

Committee Action

Bill	Action	Vote	Attachments
HB2242	DPA	9-1-0-0	4, 5, 6
HB2305	DPA	9-0-0-1	7, 8, 9
HB2367	HELD		10
HB2382	DP	10-0-0-0	11, 12
HB2396	DP	10-0-0-0	13, 14,
HB2438	DPA	10-0-0-0	15, 16, 17
HB2446	DPA	10-0-0-0	18, 19, 20
HB2697	DP	10-0-0-0	21, 22

Iris McMahon, Committee Secretary
February 3, 2021

(Original attachments on file in the Office of the Chief Clerk; video archives available at http://www.azleg.gov)

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

Convened: 2:04 PM
Adjourned: 3:04 PM

REGULAR MEETING AGENDA

COMMITTEE ON COMMERCE

DATE Tuesday, February 2, 2021 ROOM HHR 3 TIME 2:00 P.M.

This meeting will be held via teleconference software. Members of the public may access a livestream of the meeting here: https://www.azleg.gov/videoplayer/?clientID=6361162879&eventID=2021021008

Members:

Mr. Chaplik
Mr. Cook
Mr. Espinoza
Mrs. Fernandez
Mr. Meza
Ms. Nutt
Ms. Powers Hannley
Mr. Wilmeth
Mr. Kaiser, Vice-Chairman
Mr. Weninger, Chairman

Bills		Short Title	Strike Everything Title
HB2242	DPA	agency actions; procedures; fee awards (Grantham)	
	9-1-0-0	COM, RULES	
HB2305	DPA	spirituous liquor; alternating proprietorships (Weninger)	
	9-0-0-1	COM, RULES	
HB2367	HELD	special event licenses; charitable organizations (Payne)	
		COM, RULES	
HB2382	DP	mobile home parks; caregivers. (Blackman)	
	10-0-0-0	COM, RULES	
HB2396	DP	online dating fraud; member notice (C ob)	
	10-0-0-0	COM, RULES	

Attachment 1

Bills	Short Title	Strike Everything Title
HB2438	commerce authority; career landscape information	
DPA	(Carroll: Cobb, Cook, et al)	
10-0-0-0	COM, RULES	
HB2446	escrow accounts; manufactured homes; requirements	
DPA	(Dunn)	
10-0-0-0	COM, RULES	
*HB2697	health spa contracts; cancellation; notice	
DP	(Wilmeth)	
10-0-0-0		

* If printed, first read and assigned

ORDER OF BILLS TO BE SET BY THE CHAIRMAN

Pursuant to Committee Rule (2). Any person desiring to be heard concerning legislation ~~in person or~~ remotely shall email that request to (HouseCOM@azleg.gov) at least 24 hours, excluding weekends and holidays, in advance of committee, if practicable. The request must state the bill the person desires to present arguments upon, and whom the person represents. Timely requests will receive a response that includes meeting access information to participate in the committee remotely ~~or in person~~. Sharing meeting access information with unauthorized users may result in being prohibited to participate remotely in future legislative hearings. The request to participate remotely via teleconference shall be in addition to requesting to speak via the Request to Speak system (https://apps.azleg.gov/requesttospeak/topicsearch). Persons desiring to testify remotely shall indicate that the participation is remote within the comments of the Request to Speak system.

DF
01/29/2021

People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at (602) 926-3032 or through Arizona Relay Service 7-1-1.

Information Registered on the Request to Speak System

House Commerce (2/2/2021)

HB2242, agency actions; procedures; fee awards

Testified in support:
Marc Osborn, Kutak Rock LLP

Support:
Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ; Jenna Bentley, BARRY GOLDWATER INSTITUTE FOR PUBLIC POLICY RESEARCH; Courtney Coolidge, AZ CHAMBER OF COMMERCE

HB2305, spirituous liquor; alternating proprietorships

Testified in support:
Camila Alarcon, ARIZONA CRAFT BREWERS GUILD

Support:
Tom Farley, Wine Spirits Wholesalers Association Of Arizona; Rob Fullmer, representing self

HB2367, special event licenses; charitable organizations

Support:
Daryl Lund, representing self

All Comments:
Daryl Lund, Self: The bill will allow non-profits to host events that require admission fees and have a special event license. WI Club of SC

HB2382, mobile home parks; caregivers.

Testified in support:
ellen katz, William E. Morris Institute For Justice; Zach Tretton, AZ ASSN MANUFACTURED HOME OWNERS

Support:
Eddie Sissons, NATIONAL ASSOCIATION OF SOCIAL WORKERS, ARIZONA CHAPTER; Robert White, representing self; Evril Green, representing self; Brendon Blake, AARP

All Comments:

Brendon Blake, AARP: AARP Arizona, on behalf of our over 900,000 members wants to thank the sponsor of the bill and chair for bringing the bill up and hearing the bill. AARP has long advocated for those who are in need of care and continue to do so here.; ellen katz, William E. Morris Institute For Justice: If necessary.

HB2396, online dating fraud; member notice

Testified in support:

Ryan O'Daniel, MATCH GROUP

Support:

Tanner Swanson, AZ COALITION TO END SEXUAL AND DOMESTIC VIOLENCE

HB2438, commerce authority; career landscape information

Support:

Alexandria Dionne, OPPORTUNITY SOLUTIONS PROJECT

Oppose:

Trish Hart, AZ PRIVATE SCHOOL ASSOCIATION; Janna Day, UNIVERSITY OF PHOENIX (APOLLO GROUP INC); Shelbe Hunsaker, UNIVERSITY OF PHOENIX (APOLLO GROUP INC); fred lockhart, representing self

All Comments:

Janna Day, UNIVERSITY OF PHOENIX (APOLLO GROUP INC): Oppose the bill in its current form, but we appreciate the sponsor's intent of the bill and look forward to continuing the conversation.; Shelbe Hunsaker, UNIVERSITY OF PHOENIX (APOLLO GROUP INC): Oppose the bill in its current form, but we appreciate the sponsor's intent of the bill and look forward to continuing the conversation.; fred lockhart, Self: Thank Rep Carroll for meeting with APSA to seek a solution. We look forward to continued discussions or an exemption. The Private colleges were not included in the previous version of this proposed legislation. This bill is duplicative

HB2446, escrow accounts; manufactured homes; requirements

Support:

Susan Brenton, MANUFACTURED HOUSING COMMUNITIES OF AZ INC

Neutral:

Evril Green, representing self

HB2697, health spa contracts; cancellation; notice

Support:

Josh Kredit, AZ ATTORNEY GENERAL'S OFFICE; Matthew DuMee, representing self

ARIZONA STATE LEGISLATURE

Fifty-fifth Legislature - First Regular Session

COMMITTEE ATTENDANCE RECORD

COMMITTEE ON COMMERCE

CHAIRMAN: Jeff Weninger VICE-CHAIRMAN: Steve Kaiser

	DATE	1/19/21	1/26/21	2/2/21	/21	/21
	CONVENED	2:05pm	2:03pm	2:04pm	m	m
	RECESSED					
	RECONVENED					
	ADJOURNED	4:27 PM	4:04 PM	3:04 PM		
MEMBERS						
Chaplik		✓	✓	✓		
Cook		✓	✓	✓		
Espinoza		✓	✓	✓		
Fernandez		✓	✓	✓		
Meza		✓	✓	✓		
Nutt		✓	✓	✓		
Powers Hannley		✓	✓	✓		
Wilmeth		✓	✓	✓		
Kaiser, Vice-Chairman		✓	✓	✓		
Weninger, Chairman		✓	✓	✓		

√ Present --- Absent exc Excused

Attachment 3

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2242: agency actions; procedures; fee awards
Sponsor: Representative Grantham, LD 12
Committee on Commerce

Overview
Modifies the maximum allowable amount of court fees that may be awarded to a prevailing party in certain cases against the state or a city or county. Clarifies the applicability of statutory inspection and audit requirements.

History
A court must award fees and other expenses to any party other than the state or a city, town or county that prevails in an adjudication on the merits of certain cases, including a: 1) civil action brought by the state or a city, town or county against a party; 2) court proceeding to review an agency decision; and 3) special action brought by a party to challenge an action by the state or a city, town or county against a party. A court must base any award of fees on the prevailing market rates for the kind and quality of services furnished with statutory caps for expert witnesses, attorney fees and other fees and expenses. In court actions that involve certain taxation-related circumstances, statute allows a higher maximum rate to be paid to expert witnesses and attorneys and allows for a higher total cap for all fees and other expenses paid to a prevailing party other than the state or a city, town or county (A.R.S. § 12-348).

Provisions
1. Removes the ineligibility of a court expert to receive compensation in excess of the highest rate of compensation paid by the state, city, town, or county. (Sec. 1)
2. Removes language relating to a $75 per hour cap on award of attorney fees in court cases that are not tax related. (Sec. 1)
3. Specifies the $350 per hour cap on award of attorney fees to a prevailing party applies to all applicable court cases, rather than just tax related. (Sec. 1)
4. Removes language relating to a $10,000 cap on award of fees against a city or county in court cases that are not tax related. (Sec. 1)
5. Specifies the cap on award of fees against this state, or a city or county to a prevailing party applies to all applicable court case, rather than just tax related.
   a. Increases the cap from $75,000 to $125,000. (Sec. 1)
6. Defines *appealable agency action* and *licensing decision.* (Sec. 2)
7. Modifies the definition of *licensing.* (Sec. 2)
8. Entitles a person to have an agency not base a decision regarding any filing or other matter submitted to an agency on a requirement or condition that is not specifically authorized by a statute, rule, federal law or regulation or state Tribal gaming compact. (Sec. 3)

9. Specifies that statutory inspection and audit requirements relating to inspections and audits of a regulated person's premises by state agency inspectors, auditors or regulators apply to all state agencies that conduct inspections and audits. (Sec. 4)

10. Specifies that statutory inspection and audit requirements govern if a conflict arises between a regulated person's rights pursuant to statutory inspection and audit requirements and another section of statute. (Sec. 4)

11. Prohibits a state agency from basing a decision regarding any filing or other matter submitted by a licensee on a requirement or condition that is not specifically authorized by statute, rule, federal law or regulation or state Tribal gaming compact. (Sec. 5)

12. Specifies a general grant of authority in statute does not constitute a basis for imposing a requirement or condition for approval of a decision on any filing or other matter submitted by a licensee unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition. (Sec. 5)

13. Makes a conforming change. (Sec. 5)

14. Deems, as an appealable agency action, a determination by an agency that an application is not administratively complete.
    a. entitles the applicant to an adjudication on the merits of the administrative completeness of the application, if timely initiated.
    b. exempts the Department of Water Resources applications.

15. Modifies the definition of *appealable agency action* to include the administrative completeness of an application. (Sec. 7)

16. Contains an applicability clause. (Sec. 8)

Fifty-fifth Legislature
First Regular Session

Commerce
H.B. 2242

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2242

(Reference to printed bill)

Page 17, line 18, after "APPLICATION" insert "OTHER THAN AN APPLICATION SUBMITTED TO THE DEPARTMENT OF WATER RESOURCES PURSUANT TO TITLE 45"

Amend title to conform

JEFF WENINGER

2242WENINGER
01/29/2021
11:12 AM
H: LG/ra

Attachment 5

Adopted ✓ # of Verbals ____
Failed ____ Withdrawn ____
Not Offered ____ Analysts Initials ____

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2242

DATE February 02, 2021 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza		✓			
Fernandez			✓		
Meza		✓			
Nutt		✓			
Powers Hannley		✓			
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		9	1	0	0

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 6

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2305: spirituous liquor; alternating proprietorships
Sponsor: Representative Weninger, LD 17
Committee on Commerce

Overview
Allows two or more spirituous liquor producer or microbrewery licenses to group at one location under an alternating proprietorship plan.

History
The Department of Liquor Licenses and Control (Department), which consists of the State Liquor Board and the Office of the Director (Director) of the Department regulates the manufacture, distribution and sale of liquor in this state through the issuance of 21 license types or series. A producer license allows a person to produce or manufacture spirituous liquor and sell the product to a licensed wholesaler. A microbrewery license allows a person to produce between 5,000 and 6,200,000 gallons of beer in a calendar year and may sell the beer for consumption on or off the premises and to licensed wholesalers or retailers. A farm winery license allows a person to produce between 200 and 40,000 gallons of wine annually. The Director may approve, on application of one or more persons, the grouping of two or more farm winery licenses at one location under a plan of alternating proprietorships provided the licensed winery has received approval of the alternating proprietorship by the U.S. Alcohol and Tobacco Tax and Trade Bureau (U.S. TTB).

The U.S. TTB issues permits for the production and wholesale distribution of alcoholic beverages. The U.S. TTB allows producers of beer, wine or distilled spirits to apply for an alternating proprietor arrangement in which two or more persons take turns using the physical premises (Industry Circular 2005-2).

Provisions
1. Allows the Director to approve applications by one or more persons for grouping two or more spirituous liquor producer or microbrewery licenses at one location under a plan of alternating proprietorship if:
   a. The licensed producer or microbrewery has received U.S. TTB alternating proprietorship approval; and
   b. The participating producers or microbreweries operate under the U.S. TTB regulations and guidelines. (Sec. 1)
2. Specifies each participating spirituous liquor producer or microbrewery is responsible for filing all reports that relate to its production with the U.S. TTB and the Department of Arizona Revenue. (Sec. 1)

☐ Prop 105 (45 votes) ☐ Prop 108 (40 votes) ☐ Emergency (40 votes) ☐ Fiscal Note

Fifty-fifth Legislature
First Regular Session

Commerce
H.B. 2305

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2305

(Reference to printed bill)

Page 1, lines 6 and 8, after "PRODUCER" insert ", CRAFT DISTILLER"

Line 10, after "PRODUCERS" insert ", CRAFT DISTILLERS"

Line 13, after "PRODUCER" insert ", CRAFT DISTILLER"

Amend title to conform

JEFF WENINGER

2305WENINGER2
02/01/2021
08:27 AM
H: LG/PRB/ra

Attachment 8

Adopted ✓ # of Verbals _____
Failed _____ Withdrawn _____
Not Offered _____ Analysts Initials _____

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2305

DATE February 02, 2021 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook					✓
Espinoza		✓			
Fernandez		✓			
Meza		✓			
Nutt		✓			
Powers Hannley		✓			
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		9	0	0	1

Iris McMahon
COMMITTEE SECRETARY

APPROVED:
Jeff Weninger
JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 9

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2367

DATE February 02, 2021 MOTION: HELD

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik					
Cook					
Espinoza					
Fernandez					
Meza					
Nutt					
Powers Hannley					
Wilmeth					
Kaiser, Vice-Chairman					
Weninger, Chairman					

Iris Mc Mahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 10

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2382: mobile home parks; caregivers.
Sponsor: Representative Blackman, LD 6
Committee on Commerce

Overview
Permits a disabled resident to have one or more persons occupy the mobile home to provide live-in health care, personal care or supportive services.

History
The Arizona Mobile Home Parks Residential Landlord and Tenant Act governs mobile home space rental and landlord and tenant rights and obligations (A.R.S. § 33-1402). A mobile home resident may have a person who is at least 18 years old temporarily occupy the resident's mobile home to provide necessary live-in health care to the resident in accordance with a physician's written treatment plan (A.R.S. § 33-1413.03).

Fair housing laws prohibit a person from discriminating in the sale or rental or denying a dwelling to any buyer or renter because of a disability of: 1) that buyer or renter; 2) a person residing in that dwelling; or 3) a person associated with that buyer or renter. Discrimination includes a refusal to make reasonable accommodations in rules, policies, practices or services necessary to afford a person with a disability equal opportunity to use and enjoy a dwelling (A.R.S. § 41-1491.19).

Provisions
1. Allows a mobile home park resident who has a disability to have one or more persons occupy the resident's mobile home to provide necessary live-in health care, personal care or supportive services.
   a. Stipulates the care or services must afford the resident with an equal opportunity to use and enjoy the dwelling.
   b. Clarifies the occupancy is pursuant to state and federal fair housing laws.
   c. Removes the requirement for occupancy to be pursuant to a written treatment plan.
   d. Removes the landlord's authority to require the resident to provide a written renewal of the physician's treatment place every six months.
   e. Removes the age requirement of the person providing care or services.
   f. Allows the occupancy to be temporary or permanent. (Sec. 2)
2. Clarifies persons providing care or services:
   a. Cannot be charged a fee for providing such care or services;
   b. Have no rights of tenancy; and
   c. Must comply with the mobile home park rules and regulations. (Sec. 2)
3. Clarifies *resident* does not include a person rendering necessary care or services. (Sec. 1)
4. Makes a technical change. (Sec. 1)

☐ Prop 105 (45 votes) ☐ Prop 108 (40 votes) ☐ Emergency (40 votes) ☐ Fiscal Note

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2382

DATE February 02, 2021 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza		✓			
Fernandez		✓			
Meza		✓			
Nutt		✓			
Powers Hannley		✓			
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		10	0	0	0

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 12

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2396: online dating fraud; member notice
Sponsor: Representative Cobb, LD 5
Committee on Commerce

Overview
Establishes fraud ban disclosure requirements for an online dating service provider.

History
Contracts for a dating referral service must be in writing and include any requirement or prohibition as prescribed by law. A dating service enterprise is prohibited from: 1) using coercive sales tactics; 2) misrepresenting the quality, benefits or nature of services; 3) misrepresenting the qualifications or number of other customers participating in the services provided by the enterprise; and 4) misrepresenting the success the enterprise has had in making matches or referrals that are favorable to the enterprise's customers (A.R.S. §§ 44-7152 and 44-7154).

Dating referral services are services that are primarily intended to introduce or match adults for social or romantic activities, including activities that are commonly referred to as computer dating or video dating services. Dating referral services does not include arrangements in which one party is compensated for engaging in the social activity (A.R.S. § 44-7151).

Provisions
1. Requires an online dating service provider to give notice to all of its members who have previously received and responded to an on-site message from another member who is subject to a fraud ban.
   a) Outlines the contents of the notice. (Sec. 3)
2. Requires the notification to be:
   a) Clear and conspicuous;
   b) Sent by email, text message or other means consented to by the member; and
   c) Sent after the fraud ban is initiated against the banned member,
      i. Within 24-hours; or
      ii. If circumstances require additional time, within 3 days. (Sec. 3)
3. Specifies an online dating service provider is not liable to any person other than any agency, department or political subdivision of this state:
   a) For means of communication used to notify a member;
   b) When the notification is sent; or
   c) For disclosing specified information. (Sec. 3)
4. Asserts the law does not create a private right of action or diminish or adversely affect the protections afforded under federal law regarding the protection for private blocking and screening of offensive material. (Sec. 3)
5. Defines pertinent terms. (Sec. 2)

6. Makes a technical change. (Sec. 1)

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2396

DATE February 02, 2021 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza		✓			
Fernandez		✓			
Meza		✓			
Nutt		✓			
Powers Hannley		✓			
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		10	0	0	0

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 14

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2438: commerce authority; career landscape information
Sponsor: Representative Carroll, LD 22
Committee on Commerce

Overview
Instructs the Arizona Commerce Authority (ACA) to collect and publicly distribute specified graduation and employment information.

History
The ACA's mission is to provide private sector leadership in growing and diversifying the economy, creating high quality employment through expansion, attraction and retention of businesses and marketing (A.R.S. § 41-1502).

Community college means an educational institution that is operated by a district board and that provides a program not exceeding two years' training in the arts, sciences and humanities beyond the twelfth grade of the public or private high school course of study or vocational education, including terminal courses of a technical and vocational nature and basic adult education courses (A.R.S. § 15-1401).

Vocational program means a program that is completed by at least twenty-five persons during the fiscal year and that is one of the following:
1) Operated by a community college district and designated as a vocational program, including vocational programs operated by a skill center.
2) A private licensed vocational program and that does not provide a baccalaureate degree. (A.R.S. § 15-1831).

Provisions
1. Requires the ACA to annually collect and compile the following information:
   a) The most in-demand jobs in the state, including starting salary and required education level;
   b) The average cost to attend, average monthly student loan payment of individuals who attended, average three-year student loan default rate of individuals who attended, average graduation rate, and average starting salary of individuals who graduated from each of the following:
      i. Each university under the jurisdiction of the Arizona Board of Regents (ABOR);
      ii. Community colleges;
      iii. Vocational programs; and
      iv. Private postsecondary institutions.
   c) The completion rates for:
      i. Department of Economic Security-approved and U.S. Department of Labor-approved apprenticeship programs;
      ii. High school equivalency programs; and
      iii. Career and technical education programs. (Sec. 1)

☐ Prop 105 (45 votes) ☐ Prop 108 (40 votes) ☐ Emergency (40 votes) ☐ Fiscal Note

2. Directs the ACA, no later than December 1, to annually transmit the information collected and compiled to each public high school to distribute to students. (Sec. 1)
3. Requires all state agencies, ABOR universities, community colleges, vocational programs and private postsecondary institutions to provide date data, reports and other information as requested by the ACA. (Sec. 1)
4. Instructs the ACA to make the information collected and compiled publicly available and to post it on its website. (Sec. 1)
5. Defines *community college* and *vocational program.* (Sec. 1)
6. Cites this act as the "Students' Right to Know Act". (Sec. 2)
7. Contains a delayed effective date of January 1, 2022. (Sec. 3)

Fifty-fifth Legislature
First Regular Session

Commerce
H.B. 2438

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2438

(Reference to printed bill)

Page 1, lines 10, 16 and 23, strike "AVERAGE" insert "LOWEST TO HIGHEST MEDIAN"

Line 30, strike "AVERAGE"

Line 41, strike "AVERAGE" insert "LOWEST TO HIGHEST MEDIAN"

Page 2, between lines 11 and 12, insert:

"D. NOT LATER THAN OCTOBER 1 OF EACH YEAR, ALL STATE AGENCIES, UNIVERSITIES UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS, COMMUNITY COLLEGES, VOCATIONAL PROGRAMS AND PRIVATE POSTSECONDARY INSTITUTIONS SHALL PROVIDE THE DATA, REPORTS AND OTHER INFORMATION NECESSARY TO FULFILL THE REQUIREMENTS OF THIS SECTION TO THE AUTHORITY."

Reletter to conform

Amend title to conform

JEFF WENINGER

2438WENINGER
02/01/2021
08:15 AM
H: PRB/ls

Attachment 16

Adopted ✓ # of Verbals ____
Failed ____ Withdrawn ____
Not Offered ____ Analysts Initials ____

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2438

DATE February 02, 2021 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza		✓			
Fernandez		✓			
Meza		✓			
Nutt		✓			
Powers Hannley		✓			
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		10	0	0	0

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 17

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2446: escrow accounts; manufactured homes; requirements
Sponsor: Representative Dunn, LD 13
Committee on Commerce

Overview
Adds criteria for an owner of a mobile home park, who is a dealer, to be exempt from certain escrow account requirements.

History
A *dealer* is a person who sells, exchanges, buys, offers or attempts to negotiate or acts as an agent for the sale or exchange of factory-built buildings, manufactured homes or mobile homes (A.R.S. § 41-4001).

Statute requires a dealer to establish an independent escrow account with an independent financial institution or escrow agent for transactions involving: 1) a new manufactured home; 2) a new factory-built building designed for use as a residential dwelling; or 3) a manufactured home, mobile home or factory-built building designed for use as a residential dwelling that is previously owned and that has a purchase price of $50,000 or more.

A dealer who sells a manufactured home, mobile home or factory-built building designed for residential use and that has a purchase price of less than $50,000 must maintain a licensee's trust account or open an escrow account. The purchaser of a mobile home, used manufactured home or used factory-built building designed for residential use may request that the dealer establish an independent escrow account.

The owner of a mobile home park who also owns a licensed dealership may sell a new manufactured home or a new factory-built building designed for residential use as a licensee is exempt from the requirement of establishing an escrow account provided:
1) The home will be sited in a mobile home park that is owned by the park owner;
2) At the time of sale, the park owner can prove through documentation to the Arizona Department of Housing (Department) that the park owner either holds the license, owns a majority interest in the license or is controlled by an entity with controlling interest in the license; and
3) At the time of sale, the dealership has posted a dealer bond in the amount of at least $100,000 with the Department (A.R.S. § 41-4030).

Provisions
1. Increases, from at least $100,000 to at least $150,000, the dealer bond amount required for the escrow account exemption. (Sec.1)
2. Includes the following criteria as a qualifier for the escrow account exemption for owners of mobile home parks who are also dealers or own dealerships:
   a) Requires the dealer to maintain a licensee's trust account or open an escrow account when selling a new manufactured home or factory-build building that is designed for residential dwelling and has a purchase price of less $150,000, or a previously owned

manufactured home, mobile home or factory-built building that has a purchase price of less than $100,000;

b) Directs the licensee to deposit all earnest monies received in the trust or escrow account;
c) Requires the Department to conduct an audit of each dealer's trust or escrow account at least once every two years;
d) Allow the purchaser of the manufactured home, mobile home or factory-built building designed for residential use make a written request that the dealer establish an independent escrow account; and
e) Requires the licensee to disclose to the purchaser, in writing and before or at the time the purchaser signs the purchase contract, that the purchaser may request in writing the use of an independent escrow account and that the transaction be handled through a trust account controlled by the licensee. (Sec. 1)

3. Allows an owner of a mobile home park, who is a dealer, to be exempt from the requirement relating to maintaining a trust account or escrow account for transactions involving purchase prices of less than $50,000 provided certain criteria are met. (Sec. 1)

4. Makes technical changes. (Sec. 1)

Fifty-fifth Legislature
First Regular Session

Commerce
H.B. 2446

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2446

(Reference to printed bill)

Page 1, line 4, after "requirements" insert "for dealers that are not also owners of mobile home parks"

Strike lines 21 through 45

Page 2, strike lines 1 through 16

Reletter to conform

Page 3, line 11, strike "D" insert "C"

Page 4, lines 13, 26 and 37, strike "N" insert "M"

Page 5, after line 15, insert:

"Sec. 2. Title 41, chapter 37, article 4, Arizona Revised Statutes, is amended by adding section 41-4030.01, to read:

41-4030.01. Trust and escrow requirements for dealers that are also owners of mobile home parks; rules

A. THE OWNER OF A MOBILE HOME PARK THAT ALSO IS OR THAT OWNS A DEALERSHIP LICENSED PURSUANT TO THIS ARTICLE TO SELL UNITS MAY SELL A MANUFACTURED HOME OR A FACTORY-BUILT BUILDING DESIGNED FOR USE AS A RESIDENTIAL DWELLING AS A LICENSEE IF ALL OF THE FOLLOWING APPLY:

1. THE HOME WILL BE SITED IN A MOBILE HOME PARK THAT IS OWNED BY THE PARK OWNER.

2. AT THE TIME OF THE SALE, THE PARK OWNER HAS ON FILE AT THE DEPARTMENT THE NAME AND ADDRESS OF ALL MOBILE HOME PARKS OWNED BY THE PARK OWNER, THE NAME, ADDRESS AND LICENSE NUMBER OF THE LICENSED DEALERSHIP AND DOCUMENTATION SHOWING TO THE SATISFACTION OF THE DEPARTMENT THAT THE PARK OWNER EITHER HOLDS THE LICENSE, OWNS A MAJORITY INTEREST IN THE LICENSE OR

Attachment 19

Adopted ✓ # of Verbals _____
Failed _____ Withdrawn _____
Not Offered ____ Analysts Initials ___

IS CONTROLLED BY AN ENTITY THAT HOLDS A CONTROLLING INTEREST IN THE LICENSE.

3. AT THE TIME OF THE SALE, THE LICENSED DEALERSHIP HAS POSTED WITH THE DEPARTMENT A DEALER BOND IN AN AMOUNT OF AT LEAST $150,000 IN A FORM SATISFACTORY TO THE DEPARTMENT COVERING SALES BY PARKS SHARING COMMON CONTROL.

4. AT THE TIME OF THE SALE, THE DEALER SHALL EITHER MAINTAIN A LICENSEE'S TRUST ACCOUNT OR OPEN AN ESCROW ACCOUNT WITH AN INDEPENDENT FINANCIAL INSTITUTION OR ESCROW AGENT LOCATED IN THIS STATE. THE LICENSEE SHALL DEPOSIT ALL EARNEST MONIES RECEIVED FOR THE SALE OF MANUFACTURED HOMES, MOBILE HOMES OR FACTORY-BUILT BUILDINGS DESIGNED FOR USE AS RESIDENTIAL DWELLINGS IN THE TRUST OR ESCROW ACCOUNT. THE DEPARTMENT SHALL CONDUCT AN AUDIT OF EACH DEALER'S TRUST OR ESCROW ACCOUNT, INCLUDING ANY TRANSACTIONS WITH AN INDEPENDENT ESCROW ACCOUNT, AT LEAST ONCE EVERY TWO YEARS. THE PURCHASER OF THE MANUFACTURED HOME, MOBILE HOME OR FACTORY-BUILT BUILDING DESIGNED FOR USE AS A RESIDENTIAL DWELLING MAY MAKE A WRITTEN REQUEST THAT THE DEALER ESTABLISH AN INDEPENDENT ESCROW ACCOUNT AND IF SUCH A REQUEST IS RECEIVED BY THE DEALER LATER THAN THE TIME THE PURCHASE CONTRACT IS SIGNED AND THE SELLER CONSENTS, THE DEALER SHALL COMPLY WITH THE REQUEST. A LICENSEE THAT HANDLES A TRANSACTION UNDER THIS PARAGRAPH SHALL DISCLOSE TO THE PURCHASER, IN WRITING AND BEFORE OR AT THE TIME THE PURCHASER SIGNS THE PURCHASE CONTRACT, THAT THE PURCHASER MAY REQUEST IN WRITING THE USE OF AN INDEPENDENT ESCROW ACCOUNT AND THAT THE TRANSACTION WILL OTHERWISE BE HANDLED THROUGH A TRUST ACCOUNT CONTROLLED BY THE LICENSEE.

B. FOR THE PURPOSES OF THIS SECTION, A FINANCIAL INSTITUTION OR ESCROW AGENT IS INDEPENDENT IF THE INDIVIDUAL OR ENTITY IS NOT CONTROLLED BY THE LICENSEE, A FAMILY MEMBER OF THE LICENSEE OR A BUSINESS AFFILIATED WITH THE LICENSEE AND THE LICENSEE, FAMILY MEMBER OR BUSINESS AFFILIATE DOES NOT HAVE A MAJORITY INTEREST IN THE FINANCIAL INSTITUTION OR ESCROW AGENT.

Sec. 3. Section 41-4042, Arizona Revised Statutes, is amended to read:

41-4042. Funding and assessments

A. A dealer of manufactured homes, mobile homes or factory-built buildings designed for use as residential dwellings shall pay, in addition to the license or renewal fee, a fee established by the director of not to exceed ~~fifty dollars~~ $50 for each unit that is sold and that is subject to section 41-4030, subsection ~~B~~ C, for deposit into the consumer recovery fund. The fee is payable to the department by the fifteenth day of the month following the month in which the sale is consummated.

B. Chapter 6 of this title does not apply to the setting of fees under this section.

C. An amount not to exceed seventy-five percent of the previous fiscal year's interest earned on the consumer recovery fund may be expended by the director, with the approval of the board. The expenditure shall be used for consumer and licensee education in connection with the manufactured housing and factory-built building industry, and all monies up to a maximum of ~~fifty thousand dollars~~ $50,000 remaining unexpended and unencumbered at the end of each fiscal year may be used for consumer and licensee education in succeeding fiscal years and do not revert to the consumer recovery fund.

Sec. 4. Section 41-4043, Arizona Revised Statutes, is amended to read:

41-4043. Recovery from fund; claim against licensee; subrogation; appeal; statute of limitations

A. If any consumer who is buying or selling the consumer's home uses the services of a licensed dealer of manufactured homes, mobile homes or factory-built buildings designed for use as residential buildings and is damaged as a result of an act or omission by a licensed dealer of manufactured homes, mobile homes or factory-built buildings designed for use as residential buildings that constitutes a violation of section 41-4030, or rules adopted pursuant to that section, and the sale is subject

to section 41-4030, subsection ~~D~~ C, that consumer may file a claim with the department for payment from the consumer recovery fund. The claim shall be verified by the department.

B. If any consumer of manufactured homes, mobile homes or factory-built buildings designed for use as residential buildings is damaged by the failure of the principal to perform a sales agreement or to perform repairs under a warranty the consumer may file a claim with the department for payment from the consumer recovery fund. The claim shall be verified by the department.

C. On verification of the claim for payment, the director shall provide for a hearing pursuant to chapter 6, article 10 of this title.

D. The director shall pay from the consumer recovery fund whatever sum the administrative law judge finds payable on the claim. A decision granting a claim shall include an order suspending the license of the licensee on whose account the claim was filed. ~~Such a~~ THE license shall remain suspended until the licensee has repaid in full, plus interest at the rate of ten percent per year, the amount paid from the consumer recovery fund on the licensee's account.

E. Any party aggrieved by the administrative law judge's decision may apply for a rehearing by filing with the director a motion in writing pursuant to chapter 6, article 10 of this title. The filing of a motion for rehearing shall suspend the operation of the administrative law judge's order pending the decision of the director on the rehearing.

F. Except as provided in section 41-1092.08, subsection H, any person aggrieved by a final administrative decision may seek judicial review pursuant to title 12, chapter 7, article 6.

G. The consumer recovery fund has a claim against the licensee on whose account a claim was granted or any other person who caused or contributed to a claim paid by the consumer recovery fund for the amount paid plus costs, necessary expenses and reasonable attorney fees.

H. The director is subrogated to the claim of the consumer recovery fund against the bond and other assets of the licensee. The director shall deposit any amount recovered into the consumer recovery fund.

I. If, at any time, the money deposited in the consumer recovery fund is insufficient to satisfy any duly authorized claim or portion of a claim, the director, when sufficient money has been deposited in the consumer recovery fund, shall satisfy such unpaid claims or portions of claims in the order that such claims or portions of claims were originally filed.

J. A consumer pursuant to subsection A or B of this section is barred from commencing an application for payment from the consumer recovery fund later than two years from the date of sale or date of installation, whichever is later."

Amend title to conform

JEFF WENINGER

2446WENINGER
02/01/2021
10:43 AM
C: NS

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2446

DATE February 02, 2021 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza		✓			
Fernandez		✓			
Meza		✓			
Nutt		✓			
Powers Hannley		✓			
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		10	0	0	0

Chris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 20

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2697: health spa contracts; cancellation; notice
Sponsor: Representative Wilmeth, LD 15
Committee on Commerce

Overview
Outlines notification methods for canceling or suspending a health spa contract.

History
A *health spa* is an establishment which provides as its primary purpose services or facilities which are purported to assist patrons in physical exercise, weight control or figure development (A.R.S. § 44-1791).

Contracts for health spa services must be in writing and provided to the customer when the customer signs the contract. Contracts for new or increased health spa services may be canceled by the customer for any reason within three days. A customer who wishes to cancel a contract must notify the health spa in writing by either certified mail or personal delivery (A.R.S. § 44-1793).

Provisions
1. Requires a health spa to notify a customer of the methods to cancel or suspend a health spa contract. (Sec. 1)
2. Allows a customer to cancel or suspend a health spa contract by notifying the health spa by any of the following methods: 1) mail; 2) personal delivery; 3) email; 4) using a cancellation option provided on the heath spa's website; or 5) using any other manner specified in the contract. (Sec. 1)
3. Requires a customer, in order to cancel a health spa contract, to notify the health spa using one of the defined notification methods. (Sec. 1)
4. Clarifies a heath spa contract is subject to cancellation or suspension by notice sent using one of the defined notification methods:
   a. on the customer's death or permanent disability.
   b. on the customer's change of permanent residence to a location more than 25 miles from the health spa or to an affiliated health spa.
   c. on military deployment. (Sec. 1)
5. Updates a *notice to customer* statement to include a cancellation notice may be sent my email. (Sec. 1)

☐ Prop 105 (45 votes) ☐ Prop 108 (40 votes) ☐ Emergency (40 votes) ☐ Fiscal Note

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2697

DATE February 02, 2021 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza		✓			
Fernandez		✓			
Meza		✓			
Nutt		✓			
Powers Hannley		✓			
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		10	0	0	0

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 22